

## ABSTRACT

A system and method are provided for determining the transaction cost of an item within a business. A cost processing system which may be a computer system or other device of like capability defines and/or allows a user to define departments within the business on the basis of differentiated cost-driving transactions that are required to process and/or handle a variety of items within the business. The cost processing system and method determine the transaction cost of an item to each department and the transaction cost of an item to the business based on the differentiating cost-driving transactions associated with the item.